

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2020-61-E - ORDER NO. 2020-213

MARCH 24, 2020

IN RE:	Request of Lakeview Retirement Community)	ORDER GRANTING
	LLC for Exception to Commission)	EXCEPTION TO
	Regulation 103-327(A))	REGULATION

This matter comes before the Public Service Commission of South Carolina (the “Commission”) on the request of Lakeview Retirement Community LLC (“Lakeview” or the “Petitioner”) pursuant to S.C. Code Ann. Regs. § 103-327(B) for an exception to the individual electric metering requirement found in S.C. Code Ann. Regs. § 103-327(A). Petitioner seeks a determination that the individual metering requirement is impractical and unreasonable for the new community.

Lakeview Retirement Community LLC is incorporated in the State of Nebraska and licensed to do business in the State of South Carolina. Petitioner is constructing Lakeview Retirement Community in Lexington County, South Carolina at the corner of Bush River Road and Lake Murray Boulevard (“Project” or “Premises”).

According to Petitioner, the Project, currently under construction, is as a multi-occupancy, 130-unit residential, independent living facility for residents aged 55 and above. The Premises include one building with common areas and living units. The building design consists of two wings comprised of resident living suites situated around a core area at the center of the building with living suites and extensive common areas.

The core area houses dining facilities that provide dining on demand to residents, a coffee bar/pub, and concierge services, among other amenities. The common areas also include an open dining room with skylights and exposed trusses, a fitness center, a full size 150-seat theater, an in-house bank, pharmacy, massage therapist, beautician/barber shop, and a game room. Overall, the core and common areas make up approximately 40% of the entire facility.

The Project utilizes a bundled rental arrangement where residents will be charged a flat monthly rental rate that includes all utilities except personal telephone. In addition to utilities, the monthly rent includes all meals, weekly housekeeping, emergency response system, events and entertainment in the theater, scheduled transportation, valet service, free laundry facilities located on each floor, and an exercise room with supervision by a personal fitness trainer. According to Petitioner, the shared costs for the common areas, relative transitory occupancy of the residents, and all-inclusive nature of the rental arrangement between Lakeview and its residents makes individual metering impractical.

The Project is presently designed for a single-meter concept of energy monitoring. Petitioner asserts that substantial redesign and additional cost would be required for modification to the individual unit metering. Thus, to require compliance with S.C. Code Ann. Regs. 103-327(A) would be impractical, unreasonable, economically unfeasible, and presents an added difficulty for residents.

Dominion Energy South Carolina (“Dominion Energy” or the “Company”) objects to the request for the exception. The Company asserts that individual metering at

the Premises is neither impractical nor unreasonable. In support of its position, Dominion Energy asserts that it individually meters similar multi-unit residential facilities throughout its service territory. Also, according to the Company, Petitioner stated that it was required to install individual meters for a similar development in another state.

Dominion Energy continues that, from a matter of energy policy, individual metering encourages Lakeview's residents to practice energy efficiency, whereas a single master meter for the entire facility does not. The Company asserts that under Petitioner's proposal, residents are not incentivized to take any steps to save energy nor are residents rewarded for any steps they take to limit energy usage.

Finally, Dominion Energy contends individual metering of residential facilities also prevents the possibility of illegal submetering and believes Lakeview could meet the statutory definition of an "electrical utility." The Company states that plans submitted for the Project show not only a master meter but also submeters for individual residential units. To the extent that Lakeview intends to submeter the individual units at the Project and separately bill residents for electric service, Dominion Energy asserts that such an arrangement is an impermissible resale of electricity without Commission authorization. For purposes of S.C. Code Ann. § 58-27-10(7), where an electrical utility's customer takes electric service from the electrical utility, makes further delivery of the electricity to an ultimate consumer, and separately meters and bills the ultimate consumer for that electric service, the electric current has been resold, regardless of whether the electrical utility's customer makes a profit on the resale to the ultimate customer. Thus, the

Company argues Lakeview, the electrical utility's customer, would itself meet the definition of "electrical utility" found in S.C. Code Ann. § 58-27-10(7).

In response, Lakeview states the Project and use of the premises are not comparable to a standard apartment complex with individual meters, as described by Dominion Energy. Petitioner also notes that it operates 33 multi-unit facilities and is set to open 7 additional facilities this year. Only one (1) of those forty (40) facilities, which is located in a different jurisdiction without the exception allowed by South Carolina law, has individual metering. Further, the Company is the service provider for Petitioner's master-metered Daniel Island facility.

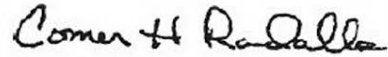
Petitioner represents that construction at the Project has already begun with the single meter concept at the Project and significant additional cost would be required to modify the facility for individual metering. Petitioner asserts it filed two sets of plans, one with master metering and one with individual metering, in an effort to keep the Project moving. Further, Lakeview's structure of month-to-month leases at a bundled rental rate is more efficient than tracking individual payors and is more convenient for the residents. Petitioner will not separately bill residents and asserts it does not fit the statutory definition of "electrical utility."

We have examined the assertions of the parties as outlined above, and we hold that the requested exception to S.C. Code Regs. Ann. 103-327(A) is granted, pursuant to S.C. Code Regs. Ann. 103-327(B). Since construction has already begun with the single meter concept, the increased additional cost of switching the Project to individual meters leads us to conclude that individual meters are impractical and unreasonable under the

circumstances presented. Further, the all-inclusive rental arrangement provides that residents will be charged a flat monthly rental fee, which includes all utilities (except personal telephone), all meals, housekeeping, and a list of other amenities. Lakeview states that it will not bill residents for electricity. Accordingly, the request for exception is granted.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Comer H. "Randy" Randall, Chairman

ATTEST:



Jocelyn Boyd, Chief Clerk/Executive Director